

**CITY OF COLD LAKE**  
**BYLAW 756-FN-22**

A BYLAW OF THE CITY OF COLD LAKE IN THE PROVINCE OF ALBERTA, TO ESTABLISH A  
CLEAN ENERGY IMPROVEMENT PROGRAM

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**WHEREAS** a Clean Energy Improvement Program is a financing program that enables the installation of eligible clean energy improvements to be made to eligible properties;

**WHEREAS** pursuant to Section 390.3 of the *Municipal Government Act*, Revised Statutes of Alberta 2000, Chapter M-26, as amended, Council may pass a Clean Energy Improvement Tax Bylaw to establish a Clean Energy Improvement Program;

**WHEREAS** a Clean Energy Improvement Tax Bylaw authorizes a municipality to make a borrowing for the purpose of financing clean energy improvements and authorizes Council to impose, with respect of each eligible clean energy improvement, a clean energy improvement tax to raise revenue to pay the amount borrowed by the municipality to recover the costs of those improvements made to eligible properties;

**WHEREAS** the Minister has designated a Program Administrator to support the municipalities' efforts to administer a clean energy improvement program;

**NOW THEREFORE**, pursuant to the authority of the *Municipal Government Act*, Revised Statutes of Alberta 2000, Chapter M-26, as amended, the Council of the City of Cold Lake duly assembled, enacts:

**SECTION 1 – TITLE**

- 1.1. This Bylaw shall be cited as the "Clean Energy Improvement Tax Bylaw".

**SECTION 2 – DEFINITIONS**

In this Bylaw:

- 2.1. "Act" means the *Municipal Government Act*, R.S.A 2000, c.M-26, as amended;
- 2.2. "Administration Fee" means an administration fee as defined in Section 1(a) of the *Regulation*;
- 2.3. "Agreement" means, as drafted in accordance with section 390.4 of the *Act* and sections 10(4), (5), (6) and (7) of the *Regulation*, a Clean Energy Improvement Agreement executed between the City and the Owner of an Eligible Property whereby the Owner agrees to pay an amount required to cover the costs of financing each Eligible Clean Energy Improvement approved by the Program Administrator;
- 2.4. "Bylaw" means this Clean Energy Improvement Tax Bylaw;
- 2.5. "City" means the municipal corporation of the City of Cold Lake, or the geographical area falling within the municipal boundaries of the City of Cold Lake, as the context requires;
- 2.6. "CAO" means the person holding the office of the Chief Administrative Officer of the City of Cold Lake;
- 2.7. "Clean Energy Improvement Tax" means a tax levied against an Eligible Property pursuant to an Agreement;
- 2.8. "Council" means the Council of the City of Cold Lake;
- 2.9. "Eligible Clean Energy Improvement" or "Improvement" is a renovation, adaptation, or installation on Eligible Property, which:
- 2.9.1. Will increase energy efficiency or the use of renewable energy on that property;
- 2.9.2. Is permanently affixed to the Property;
- 2.9.3. An Agreement may be made; and,
- 2.9.4. Must be listed as an eligible upgrade on the Program Administrator's website which is published in accordance with the *Regulation*;
- 2.10. "Eligible Property" means a property, situated within the City, that qualifies as eligible under section 390.2(b) of the *Act*, and is classified as:
- 2.10.1. Residential;
- 2.10.2. Non-residential;
- 2.10.3. Farm land; and

2.10.4. Notwithstanding sections 2.10.1 to 2.10.3 of this Bylaw, 'Designated Industrial Property' is not eligible for the Program;

- 2.11. "Owner" means, collectively, the registered owners of a property located in the City;
- 2.12. "Program" means a clean energy improvement program as described in the *Act* and *Regulation*;
- 2.13. "Program Administrator" means Alberta Municipal Services Corporation (operating as Alberta Municipalities);
- 2.14. "Property" means the property on which an Owner is applying to install an Eligible Clean Energy Improvement; and,
- 2.15. "*Regulation*" means the *Clean Energy Improvements Regulation* A.R. 212/2018.

**SECTION 3 – PROGRAM APPLICATION**

- 3.2. Pursuant to the Program, an Owner of a Property may apply to the Program Administrator to finance a Clean Energy Improvement.
- 3.3. The Program Administrator may charge an application fee, pursuant to section 8 of the *Regulation*.
- 3.4. The Program Administrator will review the Owner's application and may approve it subject to the requirements of the *Act*, *Regulation*, and this bylaw.
- 3.5. An Owner may submit one Program application per year, per Eligible Property.
- 3.6. A Property's tax-exempt status shall have no effect on its eligibility for the Program, or on the Owner's liability to pay the Clean Energy Improvement Tax pursuant to an Agreement.

**SECTION 4 – CLEAN ENERGY IMPROVEMENT AGREEMENT**

- 4.1. The City may enter into an Agreement with an Owner on a discretionary basis but subject at all times to the requirements, conditions, and limitations set out in sections 10(1) of the *Regulation*, including but not limited to, the Program Administrator's approval of the application referenced in section 3.
- 4.2. Pursuant to section 390.4 of the *Act* and Section 10(4), (5), (6), and (7) of the *Regulation*, A Clean Energy Improvement Agreement shall be signed by all Property Owners and shall include, but not be limited to:
  - 4.2.1. A description of the Improvement;
  - 4.2.2. The estimated date of completion of the Improvement;
  - 4.2.3. The estimated cost of the Improvement;
  - 4.2.4. The Administration Fee;
  - 4.2.5. A description of the Property in respect of which the Clean Energy Improvement Tax will be imposed;
  - 4.2.6. A statement that the Owner of the Property will be liable to pay the Clean Energy Improvement Tax;
  - 4.2.7. The amount required to recover the costs of the Improvement and the method of calculation used to determine that amount;
  - 4.2.8. The period over which the amount in section 4.2.7 will be repaid, which shall be based on the expected useful lifetime of the Improvement as determined by the Program Administrator under section 3(2)(a) of the *Regulation*, to a maximum term of 25 years;
  - 4.2.9. The portions of the amount in section 4.2.7 that will be paid by the City, from the revenue raised from the Clean Energy Improvement Tax, and from other sources of revenue;
  - 4.2.10. A description of how the Clean Energy Improvement Tax will be revised in the event of a subdivision of the Property or a consolidation of the Property with any other property;

- 4.2.11. The manner in which a cost overrun or underrun is to be dealt with if the actual cost of the Improvement differs from the estimated cost;
- 4.2.12. A statement that the costs of the Improvement may be revised if Council refinances the debt created to pay for the Improvement at an interest rate other than the rate estimated when the Agreement was made, together with a description of the manner by which the costs would be revised;
- 4.2.13. A statement that the Clean Energy Improvement Tax may be imposed at any time following the signing of the Clean Energy Improvement Agreement;
- 4.2.14. A statement that the amount that may be expended on incidental costs must not exceed 15% of the total capital cost of undertaking the clean energy improvement;
- 4.2.15. A statement that the Agreement may be rescinded during the period of 10 days following the date when the Agreement is signed; and
- 4.2.16. A requirement that the Owner must:
  - 4.2.16.1. Allow the Program Administrator, at a reasonable time and after giving reasonable notice, access to the Property in order to monitor the progress of the Improvement or to verify that the Improvement has been completed;
  - 4.2.16.2. If the Property is offered for sale, disclose the existence and contents of the Agreement to prospective buyers of the Property and to any realtor engaged by the Owner;
  - 4.2.16.3. If the Property is sold, append the Agreement to any contract of sale for the Property; and
  - 4.2.16.4. If the Property is transferred other than by sale, ensure that the Agreement is provided to the person to whom the Property is transferred.
- 4.3. Where the City has entered into an Agreement with an Owner, and at any time following the signing of that Agreement, a Clean Energy Improvement Tax will be imposed on the applicable Property pursuant to that Agreement.
- 4.4. Pursuant to section 10(1)(b) of the *Regulation*, the City of Cold Lake shall not enter into a Clean Energy Improvement Agreement when the value of the capital costs of undertaking all Clean Energy Improvements to the Property is:
  - 4.4.1. Less than \$3,000;
  - 4.4.2. Greater than \$50,000 for properties classified as residential;
  - 4.4.3. Greater than \$1,000,000 for properties classified as non-residential; or
  - 4.4.4. Greater than \$300,000 for properties classified as farmland.
- 4.5. The City shall not enter into a Clean Energy Improvement Agreement when:
  - 4.5.1. The owner is in tax arrears or has fallen into tax arrears within the previous five years on the Property;
  - 4.5.2. There is an existing Clean Energy Improvement Agreement in place for that Property and the costs for that Agreement have not been placed on the tax roll;
  - 4.5.3. The costs under a proposed Clean Energy Improvement Agreement shall cause the City to exceed the amount of the borrowing authorized under this bylaw;
  - 4.5.4. It is prohibited from doing so pursuant to sections 10(1)(c) and 10(2) of the *Regulation*;
  - 4.5.5. An Owner is in bankruptcy or receivership;
  - 4.5.6. The Property is going through foreclosure;
  - 4.5.7. There are development compliance issues or safety code issues associated with the Property;
  - 4.5.8. The Program Administrator has not approved an Owner's application for an Eligible Clean Energy Improvement in accordance with this bylaw and the *Regulations*; or,
  - 4.5.9. The Owner of the Property does not otherwise meet any of the requirements under this bylaw, the *Act* or the *Regulation*.

**SECTION 5 – CLEAN ENERGY IMPROVEMENT TAX**

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- 5.1. The CAO or designate of the City of Cold Lake is hereby authorized to impose a Clean Energy Improvement Tax, in respect of each Eligible Clean Energy Improvement made to a property, where the City has entered into a Clean Energy Improvement Agreement with the Owner(s) of that property.
- 5.2. The Clean Energy Improvement Tax will be voluntarily levied against a property when there is a Clean Energy Improvement Agreement, to raise revenue to pay the amount required to recover the costs of those Eligible Clean Energy Improvements, as outlined in the Clean Energy Improvement Agreement.
- 5.3. For the purposes of imposing a Clean Energy Improvement Tax, the period over which the cost of each Eligible Clean Energy Improvement will be spread may vary, but in no case will such period exceed the probable lifetime of the applicable improvement.
- 5.4. A Clean Energy Improvement Tax shall be paid in accordance with the Clean Energy Improvement Agreement and be inclusive of:
  - 5.4.1. The capital cost of undertaking the Clean Energy Improvement;
  - 5.4.2. The cost of professional services needed for the Clean Energy Improvement;
  - 5.4.3. The Administration Fee;
  - 5.4.4. The cost of financing the Clean Energy Improvement; and
  - 5.4.5. Any other expenses incidental to the undertaking of the Clean Energy Improvement and the raising of revenue to pay for it.
- 5.5. Each Clean Energy Improvement Tax shall be shown as a separate line item on the Property's tax roll and on any tax notices.
- 5.6. The City may impose the Clean Energy Improvement Tax on the Property at any time following the signing of the Agreement, but in no case later than the next annual tax notice following payment being authorized by the City to a contractor for the Improvement.

**SECTION 6 – BORROWING**

- 6.1. For the purposes of the Program, the City may borrow funds totalling up to \$3,500,000 from a financial institution or other lending organization in order to finance Clean Energy Improvements meeting the eligibility requirements of the *Act, Regulation* and this Bylaw.
- 6.2. The borrowed amount will have a maximum rate of interest of 10% a maximum term of 25 years, and repayment terms including principal and interest, plus other fees or charges applicable to the borrowing.
- 6.3. The principal and interest owing under the borrowing will be paid using the proceeds from the Clean Energy Improvement Tax and other payments that may be made by the Owners with respect to the applicable Eligible Clean Energy Improvements.
- 6.4. If an Owner wishes to make early, full repayment of an amount financed by a Clean Energy Improvement Tax, the amount owing will be calculated at the time of request, based on the principal and interest remaining and the terms of the financing being used for the project(s).
- 6.5. Any project(s) that have been approved under the Program must be completed within the time limit as set out under the Agreement.

**SECTION 7 – ENACTMENT**

- 7.1. If any clause in this Bylaw is found to be invalid, it shall be deemed severed from the remainder of this Bylaw and shall not invalidate the remainder.
- 7.2. This Bylaw shall come into full force and effect immediately upon the date of its final passing.

**FIRST READING** passed in open Council duly assembled in the City of Cold Lake, in the Province of Alberta this 13<sup>th</sup> day of September, A.D. 2022, on motion by Councillor Mattice.

**CARRIED  
UNANIMOUSLY**

*Handwritten initials: CW*

**SECOND READING** passed in open Council duly assembled in the City of Cold Lake, in the Province of Alberta this 11<sup>th</sup> day of October, A.D. 2022 on motion by Councillor Bailey.

**CARRIED  
UNANIMOUSLY**

**THIRD AND FINAL READING** passed in open Council duly assembled in the City of Cold Lake, in the Province of Alberta this 11<sup>th</sup> day of October, A.D. 2022, on motion by Councillor Vining.

**CARRIED  
UNANIMOUSLY**

**Executed this 21<sup>st</sup> day of October, 2022**

**CITY OF COLD LAKE**

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**MAYOR**

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**CHIEF ADMINISTRATIVE OFFICER**

